

POLICY ISSUE NOTATION VOTE

June 18, 2002

SECY-02-0107

FOR: The Commissioners

FROM: William D. Travers
Executive Director for Operations

SUBJECT: ADDENDUM TO SECY-02-0074: "NATIONAL
MATERIALS PROGRAM: PILOT PROJECTS"

PURPOSE:

To request Commission approval of the staff's recommendation on a preferred National Materials Program (NMP) option.

BACKGROUND:

Staff offered no recommendation on a preferred NMP option in SECY-01-0112, "National Materials Program: Transmittal of the Final Working Group Report Presenting Options for a National Materials Program," June 22, 2001. SECY-01-0112 provided the Commission a copy of the NMP Working Group report. The paper also discussed possible "follow-on" activities, such as a pilot program to help understand the processes and resources needed and to help all organizations understand roles, responsibilities, and the level of resources necessary for success. The Working Group report presented a range of options for a NMP including a base case, the "Current Program," and the Working Group's recommended option, the "Alliance" option.

In SECY-02-0074, staff describes five pilot projects to provide additional information specific to better understanding the "Alliance" option. The pilots will provide: additional information on the ability of States to assume and carry out greater responsibility for the development and maintenance of products as envisioned under the "Alliance" option; insights on the degree of alignment that can be achieved in the use of risk-informed and performance-based regulatory processes; and information on NRC's willingness and ability to accept and use products produced primarily by the States.

Contact: Paul H. Lohaus, STP
301-415-3340

DISCUSSION:

The NMP that exists today is represented by the "Current Program" option in the Working Group report. It represents the existing Agreement State program and the relationship between NRC and the Agreement States. The "Alliance" option reflects a possible future state of the NMP where the States will share a greater proportional responsibility for development and maintenance of the national base of rules and guidance needed for an effective NMP. In considering the options, the staff also notes that there are potential changes or activities underway which may effect or change the overall framework for a NMP. These include actions in response to the events of September 11, 2001, such as vulnerability studies and additional security measures, increased accountability and control of radiation sources, and the impact of recent budget deficits and program challenges faced by some Agreement State programs.

The staff recommends that the Commission approve the use of a blending of the "Current Program" and the "Alliance" options. This approval will signal that the fundamental concept of a more even sharing of responsibilities between the States and NRC has merit, while at the same time reserving judgment on implementation of the concept until results of the pilots have been evaluated. Under the blended option, NRC would maintain its current relationship with the Agreement States and NRC and the States would look for opportunities to increase use of State experience and expertise in the development and maintenance of products for the NMP as envisioned under the "Alliance" option. Additional Commission reflection on this recommendation can also be conducted later after the staff has provided the Commission the results of the pilot projects and additional information is known about other activities having a potential affect on the NMP, such as the response to terrorist activities.

To provide the Commission with additional information on the State's views on the "Alliance" option, the staff plans to share this addendum and the pilot program paper with the States and ask that they provide any comments within 30 days. Comments received will be provided to the Commission.

RESOURCES:

The resources necessary to implement the blended approach are included in the current budget. Although the staff does not expect immediate resource savings from implementing a blended program, it affords staff an opportunity to explore ways to leverage State expertise and resources. This could result in future savings if more of the program support effort can be shifted to Agreement States.

RECOMMENDATION:

That the Commission approve the staff's recommendation to implement a blending of the "Current Program" and "Alliance" options.

NOTE:

The staff seeks early Commission approval to share this addendum with the Agreement and Non-Agreement States.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections. This paper has also been coordinated with the Organization of Agreement States Executive Board and the Conference of Radiation Control Program Directors, Inc., Board of Directors which agree with the staff's recommendation.

/RA/

William D. Travers
Executive Director
for Operations

The Commissioners

- 3 -

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objections. This paper has also been coordinated with the Organization of Agreement States Executive Board and the Conference of Radiation Control Program Directors, Inc., Board of Directors which agree with the staff's recommendation.

/RA/

William D. Travers
Executive Director
for Operations

Distribution:

DIR RF National Materials Program File
SDroggitis

DOCUMENT NAME: I:\materials\SECY-02-0107.wpd

***See previous concurrence.**

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	STP:D	STP:DD	CFO	OGC	NMSS:D	DEDMRS	EDO
NAME	PHLohaus:kk	JMPiccone	JLFuncnes (E-Mail RTurtil)	SATreby	MJVirgilio (PHL Phone Call & E-Mail Comments MFederline)	CJPaperiello	WDTravers
DATE	06/05/02*	06/05/02*	06/12/02*	06/06/02*	06/07/02*	06/ 18/02	06/ 18 /02

ML021580590

OFFICIAL RECORD COPY